Standard Generator Interconnection Procedures

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1. Definitions

1.1 Affected System:
shall mean a system other than that of Transmission Provider that may be affected by the proposed interconnection to the Transmission System.

1.2 Affected System Operator:
shall mean the entity that operates the Affected System.

1.3 Base Case:
shall be as defined in Section 2.3 of these Interconnection Procedures.

1.4 Business Day:
shall mean any day on which the Federal Reserve Bank of New York is open.

1.5 Commercial Operation Date:
shall mean the date on which Generator commences commercial operation of a unit at the Facility after Trial Operation of such unit has been completed as confirmed in writing substantially in the form shown in Appendix F to the Interconnection and Operating Agreement.

1.6 Facility:
shall mean Generator's electric generating facility (Facility) identified in the Interconnection Request, but shall not include the Generator Interconnection Facilities.

1.7 FERC:
shall mean the Federal Energy Regulatory Commission or its successor.

1.8 Generator:
as used herein applies to any Facility regardless of ownership.

1.9 Generator Interconnection Facilities:
shall mean all facilities and equipment, as identified in Appendix A to the Interconnection and Operating Agreement, which are located between the Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically connect the Facility to the Transmission System. Generator Interconnection Facilities are sole use facilities and shall not include Network Upgrades or facilities.

1.10 In-Service Date:
shall mean the date upon which the Generator reasonably expects it will begin to use the Transmission Provider's Interconnection Facilities to obtain back feed power.

1.11 Interconnection and Operating Agreement:
shall mean an agreement in the form of the Interconnection and Operating Agreement included in the Transmission Provider's Open Access Transmission Tariff (OATT).

1.12 Interconnection Facilities:
shall mean the Transmission Provider's Interconnection Facilities and the Generator Interconnection Facilities. Collectively, all facilities and equipment between the Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Facility to the Transmission System. Interconnection Facilities are sole use facilities and shall not include Network Upgrades or facilities.

1.13 Interconnection Facilities Study:
shall mean a study of the facilities necessary to accommodate the Interconnection Request the scope of which is described in Section 8.2 of these Interconnection Procedures.

1.14 Interconnection Facilities Study Agreement:
shall mean the Agreement described in Section 8.1 of these Interconnection Procedures.

1.15 Interconnection Feasibility Study:
shall mean a study to evaluate the feasibility of the Generator's interconnection to the Transmission System, the scope of which is described in Section 6.2 of these Interconnection Procedures.

1.16 Interconnection Feasibility Study Agreement:
shall mean the Agreement described in Section 6.1 of these Interconnection Procedures.

1.17 Interconnection Request:
shall mean a request, in the form of Appendix 1, in accordance with the OATT, to interconnect a new Facility, or to increase the capacity or make a Material Modification to the operating characteristics of an existing Facility that is interconnected with the Transmission System.

1.18 Interconnection Service.
Interconnection Service is defined in Article 4 of the Standard Generator Interconnection and Operating Agreement.

1.19 Interconnection Study(ies):
shall mean any and all of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study and the Interconnection Facilities Study described in these Interconnection Procedures.

1.20 Interconnection System Impact Study:
shall mean a study of the impact of the Interconnection Request, the scope of which is described in Section 7.3 of these Interconnection Procedures.

1.21 Interconnection System Impact Study Agreement:
shall mean the Agreement described in Section 7.1 of these Interconnection Procedures.

1.22 Network Upgrades:
shall mean the additions, modifications, and upgrades to the Transmission System required beyond the Point of Interconnection to the Transmission System to accommodate the interconnection of the Facility to the Transmission System, as identified in Appendix A to the Interconnection and Operating Agreement, including any modifications, additions or upgrades made to such facilities. The facilities and equipment are used by and benefit all users of the transmission grid, without distinction or regard as to the purpose of the upgrade (e.g., to relieve overloads, to remedy stability and short circuit problems, to maintain reliability, or to provide protection and service restoration) including the fact that these facilities and equipment are being replaced or upgraded to accommodate the Interconnection Request.

1.23 Material Modification:
shall have the meaning set forth in Section 4.4 of these Interconnection Procedures.

1.24 Optional Study:
shall mean a study in addition to the Interconnection Studies as described in Section 10 of these Interconnection Procedures.

1.25 Point of Change of Ownership:
shall mean the point, set forth in Appendix A to the Interconnection and Operating Agreement, at which the Generator Interconnection Facilities

connect to the Transmission Provider's Transmission Interconnection Facilities.

1.26 Point of Interconnection:
shall mean the point or points, as set forth in Appendix A to the Interconnection and Operating Agreement, where the Interconnection Facilities connect to the Transmission Provider's Transmission System.

1.27 Reasonable Efforts:
shall mean, with respect to an action required to be attempted or taken by a party under this agreement, actions that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

1.28 RTO/ISO:
shall mean any Regional Transmission Organization or Independent System Operator to which a Transmission Provider/Transmission Owner has transferred operational control of its transmission facilities, or any portion thereof, within the meaning of Order No. 2000.

1.29 Site Control:
shall mean documentation reasonably demonstrating: (i) ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing a Facility; (ii) an option to purchase or acquire a leasehold site for such purpose; or (iii) an exclusivity or other business relationship between Generator and the entity having the right to sell, lease or grant Generator the right to possess or occupy a site for such purpose.

1.30 Small Generators:
shall mean those Generators described in Section 14 of these Interconnection Procedures.

1.31 Tariff:
shall mean the Transmission Provider’s tariff(s) under which open access transmission and interconnection service are offered, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff(s).

1.32 Transmission Owner:
shall mean an entity that owns, leases, or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a party to this Agreement to the extent necessary.

1.33 Transmission Provider:
shall mean the entity that provides Transmission Service under its Open Access Transmission Tariff.

1.34 Transmission Provider Interconnection Facilities:
shall mean all facilities owned and/or controlled or operated by the Transmission Provider from the Point of Change of Ownership to the Point of Interconnection, as identified in Appendix A to the Interconnection and Operating Agreement, including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider Facilities are sole use facilities and shall not include Network Upgrades or facilities as defined in Section 1.21 above.

1.35 Transmission System:
shall mean the facilities owned, controlled or operated by the Transmission Provider and/or Transmission Owner that are used to provide transmission service under the Tariff, including any additions, modifications or upgrades made to such facilities.

2. Scope and Application.

2.1 Application of Interconnection Procedures.
Sections 2 through 13 apply to any Interconnection Request. Section 14 establishes the modified procedures for interconnecting Small Generators' Facilities.

2.2 Comparability.
The Transmission Provider shall receive, process and analyze all Interconnection Requests in a timely manner as set forth in these Interconnection Procedures. The Transmission Provider will use the same Reasonable Efforts in processing and analyzing Interconnection Requests from all Generators, whether the generating facilities are owned by Transmission Provider, its subsidiaries or affiliates or others.

2.3 Base Case Data.
Transmission Provider shall provide base power flow, short circuit and stability databases.

2.4 No Applicability to Transmission Service.

Nothing in these Interconnection Procedures shall constitute a request for transmission service or confer upon a Generator any right to receive transmission service.

3. Interconnection Requests.

3.1 General.

A Generator shall submit to the Transmission Provider an Interconnection Request in the form of Appendix 1 to these Interconnection Procedures and a refundable deposit of $10,000. The Transmission Provider shall apply the deposit toward the cost of an Interconnection Feasibility Study. The Generator shall submit a separate Interconnection Request for each site and may submit multiple Interconnection Requests for a single site.

At Generator's option, Transmission Provider and Generator will identify alternative Point(s) of Interconnection and configurations at the initial scoping meeting to evaluate in this process and attempt to eliminate alternatives in a reasonable fashion given resources and information available. Generator will select the definitive Point(s) of Interconnection no later than the execution of the Interconnection Feasibility Study Agreement.

3.2 Identification of Types of Interconnection Services.

At the time the Interconnection Request is submitted, Generator must identify the types of interconnection services requested; provided, however, any Generator requesting Network Resource Interconnection Service may also request that it be concurrently studied as an Energy Resource Interconnection Service, up to the point when an Interconnection Facility Study Agreement is executed.

3.3 Valid Interconnection Request.

3.3.1 Initiating an Interconnection Request.

To initiate an Interconnection Request, Generator must submit all of the following: (i) a $10,000 deposit, (ii) a completed application in the form of Appendix 1, and (iii) demonstration of Site Control or a posting of an additional deposit of $10,000. Such deposits shall be applied toward any Interconnection Studies pursuant to the Interconnection Request. If Generator demonstrates Site Control within the cure period specified in Section 3.3.3 after submitting its Interconnection Request, the deposit(s) shall be refundable; otherwise, such deposit(s) become non-refundable. The expected In-Service Date of the new Facility or increase in capacity of the existing Facility shall be no more than the process window for the

regional expansion planning period not to exceed seven years from the date the Interconnection Request is received by the Transmission Provider, unless the Interconnection Customer demonstrates that engineering, permitting and construction of the new Facility or increase in capacity of the existing Facility will take longer than the regional expansion planning period. In no event shall the In-Service Date exceed ten years from the date the Interconnection Request is received by the Transmission Provider.

3.3.2 Acknowledgement of Interconnection Request.
Transmission Provider shall acknowledge receipt of the Interconnection Request within five (5) Business Days of receipt of the request and attach a copy of the received Interconnection Request to the acknowledgement.

3.3.3 Deficiencies in Interconnection Request.
An Interconnection Request will not be considered to be a valid request until all of the above items have been received by the Transmission Provider. If an Interconnection Request fails to meet the requirements set forth in this Section, the Transmission Provider shall notify the Generator within five (5) Business Days of receipt of the initial Interconnection Request of the reasons for such failure and that the Interconnection Request does not constitute a valid request. Generator shall provide the Transmission Provider the additional requested information needed to constitute a valid request within ten (10) Business Days after receipt of such notice. Failure by Generator to comply with this Section 3.3.3 shall be treated in accordance with Section 3.6.

3.3.4 Initial Scoping Meeting.
Within ten (10) Business Days after receipt of a valid Interconnection Request, Transmission Provider shall establish a date agreeable to Generator for the initial scoping meeting, and such date shall be no later than thirty (30) Calendar Days from receipt of the Interconnection Request.

The purpose of the initial scoping meeting shall be to discuss alternative interconnection options, to exchange information including any transmission data that would reasonably be expected to impact such interconnection options, to analyze such information and to determine the potential feasible Points of Interconnection. Transmission Provider and Generator will bring to the meeting such technical data, including, but not limited to: (i) general facility loadings, (ii) general instability issues, (iii) general short circuit issues, (iv) general voltage issues, and (v) general reliability issues

as may be reasonably required to accomplish the purpose of the meeting. Transmission Provider and Generator will also bring to the meeting personnel and other resources as may be reasonably required to accomplish the purpose of the meeting in the time allocated for the meeting. On the basis of the meeting, Generator shall designate its Point of Interconnection, pursuant to Section 6.1, and one or more available alternative Point(s) of Interconnection. The duration of the meeting shall allocate sufficient time to accomplish its purpose.

Within five (5) Business Days after the scoping meeting is held, Generator may elect not to have an Interconnection Feasibility Study conducted for the Interconnection Request. If Generator so elects, Generator will notify the Transmission Provider in writing within such period. In that event, the Transmission Provider will initiate an Interconnection System Impact Study in accordance with Section 7 of these Interconnection Procedures and apply the $10,000 deposit towards the Interconnection System Impact Study.

3.4 OASIS Posting.

The Transmission Provider will maintain on its OASIS a list of all Interconnection Requests. The list will identify, for each Interconnection Request: (i) the maximum summer and winter megawatt electrical output; (ii) the location by county and state; (iii) the station or transmission line or lines where the interconnection will be made; (iv) the projected In-Service Date; (v) the status of the Interconnection Request, including queue position; (vi) the type of interconnection service being requested; and (vii) the availability of any studies related to the Interconnection Request. The list will not disclose the identity of the Generator until the Generator executes an Interconnection and Operating Agreement or requests that the Transmission Provider file an unexecuted Interconnection and Operating Agreement with FERC. The Transmission Provider shall post to its OASIS site any deviations from the study timelines set forth herein. Interconnection Study reports and Optional Study reports shall be posted to the Transmission Provider's OASIS site subsequent to the meeting between the Generator and the Transmission Provider to discuss the applicable study results.

3.5 Coordination with Affected Systems.

The Transmission Provider will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System Operators and include those results in its applicable Interconnection Study within the time frame specified in these Interconnection Procedures. The Transmission Provider will include such Affected System Operators in all meetings held with the Generator as required by these Interconnection Procedures. The Generator will cooperate with the Transmission Provider in all matters related to the conduct of studies and the determination of modifications to Affected Systems. A transmission provider which may be an Affected System shall cooperate with the Transmission Provider with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

3.6 Withdrawal.

The Generator may withdraw its Interconnection Request at any time by written notice of such withdrawal to the Transmission Provider. In addition, if the Generator fails to adhere to all requirements of these Interconnection Procedures, except as provided in Section 13.6, the Transmission Provider shall deem the Interconnection Request to be withdrawn and shall provide written notice to the Generator of the deemed withdrawal and an explanation of the reasons for such deemed withdrawal. Withdrawal shall result in the loss of the Generator's queue position. A Generator that withdraws or is deemed to have withdrawn its Interconnection Request shall pay to the Transmission Provider all costs that the Transmission Provider prudently incurs with respect to that Interconnection Request prior to the Transmission Provider's receipt of notice described above. The Transmission Provider shall (i) update the OASIS queue posting and (ii) refund to the Generator any portion of the Generator's deposit or study payments that exceeds the costs that the Transmission Provider has incurred, including interest calculated in accordance with Section 35.19a(a)(2) of FERC's regulations. In the event of such withdrawal, the Transmission Provider, subject to the confidentiality provisions of Section 13.1, shall provide, at Generator's request, all information that the Transmission Provider developed for any completed study conducted up to the date of withdrawal of the Interconnection Request.

4. Queue Position.

4.1 General.

The Transmission Provider shall assign a queue position based upon the date and time of receipt of the valid Interconnection Request; provided

that, if the sole reason an Interconnection Request is not valid is the lack of required information on the application form, and the Generator provides such information in accordance with Section 3.3.3, then the Transmission Provider shall assign the Generator a queue position based on the date the application form was originally filed. The queue position of each Interconnection Request will be used to determine the order of performing the Interconnection Studies and determination of cost responsibility for the facilities necessary to accommodate the Interconnection Request.

4.2 Clustering.

At Transmission Provider's option, Interconnection Requests may be studied serially or in clusters for the purpose of the Interconnection System Impact Study.

If Transmission Provider elects to study Interconnection Requests in clusters, all Interconnection Requests received within a period not to exceed ninety (90) Calendar Days, hereinafter referred to as the "queue cluster window," shall be studied together, as appropriate, except for Energy Resource Interconnection Service, which will be studied serially. Transmission Provider may study an Interconnection Request separately to the extent warranted by Good Utility Practice based upon the electrical remoteness of the proposed Facility.

4.3 Transferability of Queue Position.

A Generator may transfer its queue position to another entity only if such entity acquires the specific facility identified in the Interconnection Request and the Point of Interconnection does not change.

4.4 Modifications.

The Generator may submit to the Transmission Provider, in writing, modifications to any information provided in the Interconnection Request. The Generator shall retain its queue position if the modifications are in accordance with Sections 4.4.1, 4.4.2 or 4.4.5, or are determined not to be Material Modifications pursuant to Sections 4.4.3 and 4.4.4.

Notwithstanding the above, during the course of the Interconnection Studies, either the Generator or Transmission Provider may identify changes to the planned interconnection that may improve the costs and benefits (including reliability) of the interconnection, and the ability of the proposed change to accommodate the Interconnection Request. To the extent the identified changes are acceptable to the Transmission Provider and Generator, such acceptance not to be unreasonably withheld, Transmission Provider shall modify the Point of Interconnection and/or configuration in accordance with such changes and proceed with any re-

studies necessary to do so in accordance with Section 6.4, Section 7.6 and Section 8.6 as applicable and Generator shall retain its queue position.

4.4.1 Prior to the return of the executed Interconnection System Impact Study Agreement to the Transmission Provider, modifications permitted under this Section shall include specifically: (a) a reduction up to 60% (MW) of electrical output of the proposed project; (b) modifying the technical parameters associated with the generator technology or the generator step-up transformer impedance characteristics; (c) modifying the interconnection configuration; and/or (d) any other change except to the Point of Interconnection. For plant increases, the incremental increase in plant output will go to the end of the queue for the purposes of cost allocation and study analysis.

4.4.2 Prior to the return of the executed Interconnection Facility Study Agreement to the Transmission Provider, the modifications permitted under this Section shall include specifically: (a) additional 15% decrease in plant size (MW), and (b) generator technical parameters associated with modifications to generator technology and transformer impedances; provided, however, the incremental costs associated with those modifications are the responsibility of the requesting Generator.

4.4.3 Prior to making any modification other than those specifically permitted by Sections 4.4.1, 4.4.2, and 4.4.5, Generator may first request that the Transmission Provider evaluate whether such modification is a Material Modification. Material Modifications are those modifications that have a material impact on the cost or timing of any Interconnection Request with a later queue priority date. In response to Generator's request, the Transmission Provider shall evaluate the proposed modifications prior to making them and inform the Generator in writing of whether the modifications would constitute a Material Modification. The Generator may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

4.4.4 Upon receipt of Generator's request for modification permitted under this Section 4.4, the Transmission Provider shall commence and perform any necessary additional studies as soon as practicable, but in no event shall the Transmission Provider commence such studies later than thirty (30) Calendar Days after receiving notice of Generator's request. Any additional studies

resulting from such modification shall be done at Generator's cost.

4.4.5 Extensions of less than three (3) cumulative years in the Commercial Operation Date of the Facility to which the Interconnection Request relates are not material and should be handled through construction sequencing.

5. Procedures for Interconnection Requests Submitted Prior to Effective Date of Interconnection Procedures.

5.1 Queue Position for Pending Requests.

5.1.1 Any generator assigned a queue position prior to the effective date of these Interconnection Procedures shall retain that queue position.

5.1.1.1 If an Interconnection Study Agreement has not been executed as of the effective date of these Interconnection Procedures, then such Interconnection Study, and any subsequent Interconnection Studies, shall be processed in accordance with these Interconnection Procedures.

5.1.1.2 If an Interconnection Study Agreement has been executed prior to the effective date of these Interconnection Procedures, such Interconnection Study shall be completed in accordance with the terms of such agreement.

5.1.1.3 If an Interconnection and Operating Agreement has been tendered as of the effective date of these Interconnection Procedures, then the Transmission Provider and Generator shall finalize its terms.

5.1.2 Transition Period.
To the extent necessary, the Transmission Provider and Generators with an outstanding request shall transition to these Interconnection Procedures within a reasonable period of time not to exceed sixty (60) Calendar Days. Any Generator with an outstanding request as of the effective date of these Interconnection Procedures may request a reasonable extension of any deadline, otherwise applicable, if necessary to avoid undue hardship or prejudice to its Interconnection Request. A reasonable extension shall be granted by the Transmission Provider to the

extent consistent with the intent and process provided for under these Interconnection Procedures.

5.2 New Transmission Provider.

If the Transmission Provider transfers control of its Transmission System to a successor Transmission Provider during the period when an Interconnection Request is pending, the original Transmission Provider shall transfer to the successor Transmission Provider any amount of the deposit or payment that exceeds the cost that it incurred to evaluate the request for interconnection. Any difference between such net amount and the deposit or payment required by these Interconnection Procedures shall be paid by or refunded to the Generator, as appropriate. The original Transmission Provider shall coordinate with the successor Transmission Provider to complete any Interconnection Study, as appropriate, that the original Transmission Provider has begun but has not completed. If the Transmission Provider has tendered a draft Interconnection and Operating Agreement to the Generator but the Generator has not either executed the Interconnection and Operating Agreement or requested the filing of an unexecuted Interconnection and Operating Agreement with FERC, unless otherwise provided, the Generator may elect to complete negotiations with the Transmission Provider or the successor Transmission Provider.

6. Interconnection Feasibility Study.

6.1 Interconnection Feasibility Study Agreement.

Simultaneously with the acknowledgement of a valid Interconnection Request the Transmission Provider shall provide to Generator an Interconnection Feasibility Study Agreement in the form of Appendix 2. The Interconnection Feasibility Study Agreement shall specify that Generator is responsible for the actual cost of the Interconnection Feasibility Study. Within five (5) Business Days following the initial scoping meeting Generator shall specify for inclusion in the attachment to the Interconnection Feasibility Study Agreement the Point(s) of Interconnection and any reasonable alternative Point(s) of Interconnection. Within five (5) Business Days following the Transmission Provider's receipt of such designation, Transmission Provider shall tender to Generator the Interconnection Feasibility Study Agreement signed by Transmission Provider, which includes a good faith estimate of the cost for completing the Interconnection Feasibility Study.

On or before the return of the executed Interconnection Feasibility Study Agreement to the Transmission Provider, the Generator shall provide the technical data called for in Appendix 2.

If the Interconnection Feasibility Study uncovers any unexpected result(s) not contemplated during the Initial Scoping Meeting, a substitute Point of Interconnection identified by either Generator or Transmission Provider, and acceptable to the other, such acceptance not to be unreasonably withheld, will be substituted for the designated Point of Interconnection specified above without loss of queue position, and re-studies shall be completed pursuant to Section 6.4 as applicable. For the purpose of this Section 6.1, if the Transmission Provider and Generator cannot agree on the substituted Point of Interconnection, then Generator may direct that one of the alternatives as specified in the Interconnection Feasibility Study Agreement, as specified pursuant to Section 3.3.4, shall be the substitute.

6.2 Scope of Interconnection Feasibility Study.

The Interconnection Feasibility Study shall preliminarily evaluate the feasibility of the proposed interconnection to the Transmission System.

The Interconnection Feasibility Study will consider the Base Case as well as all generating facilities (and with respect to (iii), any identified Network Upgrades) that, on the date the Interconnection Feasibility Study is commenced: (i) are directly interconnected to the Transmission System; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending higher queued Interconnection Request to interconnect to the Transmission System; and (iv) have no queue position but have executed an Interconnection and Operating Agreement or requested that an unexecuted Interconnection and Operating Agreement be filed with FERC. The Interconnection Feasibility Study will consist of a power flow and short circuit analysis. The Interconnection Feasibility Study will provide a list of facilities and a non-binding good faith estimate of cost responsibility and a non-binding good faith estimated time to construct.

6.3 Interconnection Feasibility Study Procedures.

The Transmission Provider shall utilize existing studies to the extent practicable when it performs the study. The Transmission Provider shall use Reasonable Efforts to complete the Interconnection Feasibility Study no later than forty-five (45) Calendar Days after the Transmission Provider receives the fully executed Interconnection Feasibility Study Agreement. At the request of the Generator or at any time the Transmission Provider determines that it will not meet the required time frame for completing the Interconnection Feasibility Study, Transmission Provider shall notify the Generator as to the schedule status of the Interconnection Feasibility Study. If the Transmission Provider is unable to complete the Interconnection Feasibility Study within that time period, it shall notify the Generator and provide an estimated completion date with an explanation of the reasons why additional time is required. Upon request, the

Transmission Provider shall provide the Generator supporting documentation, workpapers and relevant power flow, short circuit and stability databases for the Interconnection Feasibility Study, subject to confidentiality arrangements consistent with Section 13.1.

6.3.1 Meeting with Transmission Provider.
Within ten (10) Business Days of providing an Interconnection Feasibility Study report to Generator, Transmission Provider and Generator shall meet to discuss the results of the Interconnection Feasibility Study.

6.4 Re-Study.
If re-study of the Interconnection Feasibility Study is required due to a higher queued project dropping out of the queue, or a modification of a higher queued project subject to Section 4.4, or re-designation of the Point of Interconnection pursuant to Section 6.1 Transmission Provider shall notify Generator in writing. Such re-study shall take not longer than forty-five (45) Calendar Days from the date of the notice. Any cost of re-study shall be borne by the Generator being re-studied.

7. Interconnection System Impact Study.

7.1 Interconnection System Impact Study Agreement.
Unless otherwise provided in Section 3.3.4, simultaneously with the delivery of the Interconnection Feasibility Study to the Generator, the Transmission Provider shall provide to the Generator an Interconnection System Impact Study Agreement in the form of Appendix 3 to these Interconnection Procedures. The Interconnection System Impact Study Agreement shall provide that the Generator shall compensate the Transmission Provider for the actual cost of the Interconnection System Impact Study. Within three (3) Business Days following the Interconnection Feasibility Study results meeting, the Transmission Provider shall provide to Generator a non-binding good faith estimate of the cost and timeframe for completing the Interconnection System Impact Study.

7.2 Execution of Interconnection System Impact Study Agreement.
The Generator shall execute the Interconnection System Impact Study Agreement and deliver the executed Interconnection System Impact Study Agreement to the Transmission Provider no later than thirty (30) Calendar Days after its receipt along with demonstration of Site Control, and a $50,000 deposit.

If the Generator does not provide all such technical data when it delivers

the Interconnection System Impact Study Agreement, the Transmission Provider shall notify the Generator of the deficiency within five (5) Business Days of the receipt of the executed Interconnection System Impact Study Agreement and the Generator shall cure the deficiency within ten (10) Business Days of receipt of the notice, provided, however, such deficiency does not include failure to deliver the executed Interconnection System Impact Study Agreement or deposit.

If the Interconnection System Impact Study uncovers any unexpected result(s) not contemplated during the Initial Scoping Meeting and the Interconnection Feasibility Study, a substitute Point of Interconnection identified by either Generator or Transmission Provider, and acceptable to the other, such acceptance not to be unreasonably withheld, will be substituted for the designated Point of Interconnection specified above without loss of queue position, and restudies shall be completed pursuant to Section 7.6 as applicable. For the purpose of this Section 7.6, if the Transmission Provider and Generator cannot agree on the substituted Point of Interconnection, then Generator may direct that one of the alternatives as specified in the Interconnection Feasibility Study Agreement, as specified pursuant to Section 3.3.4, shall be the substitute.

7.3 Scope of Interconnection System Impact Study.

The Interconnection System Impact Study shall evaluate the impact of the proposed interconnection on the reliability of the Transmission System. The Interconnection System Impact Study will consider the Base Case as well as all generating facilities (and with respect to (iii) below, any identified Network Upgrades associated with such higher queued interconnection) that, on the date the Interconnection System Impact Study is commenced: (i) are directly interconnected to the Transmission System; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending higher queued Interconnection Request to interconnect to the Transmission System; and (iv) have no queue position but have executed an Interconnection and Operating Agreement or requested that an unexecuted Interconnection and Operating Agreement be filed with FERC. The Interconnection System Impact Study will consist of a short circuit analysis, a stability analysis, and a power flow analysis. The Interconnection System Impact Study will state the assumptions upon which it is based; state the results of the analyses; and provide the requirements or potential impediments to providing the requested interconnection service, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. The Interconnection System Impact Study will provide a list of facilities that are required as a result of the Interconnection Request and a non-binding good faith estimate of cost responsibility and a non-

binding good faith estimated time to construct.

7.4 Interconnection System Impact Study Procedures.

The Transmission Provider shall coordinate the Interconnection System Impact Study with any Affected System that is affected by the Interconnection Request pursuant to Section 3.5 above. The Transmission Provider shall utilize existing studies to the extent practicable when it performs the study. The Transmission Provider shall use Reasonable Efforts to complete the Interconnection System Impact Study within ninety (90) Calendar Days after the receipt of the Interconnection System Impact Study Agreement or notification to proceed, study payment, and technical data. If Transmission Provider uses clustering, the Transmission Provider shall use Reasonable Efforts to deliver a completed Interconnection System Impact Study within ninety (90) Calendar Days after the close of the queue cluster window. At the request of the Generator or at any time the Transmission Provider determines that it will not meet the required time frame for completing the Interconnection System Impact Study, Transmission Provider shall notify the Generator as to the schedule status of the Interconnection System Impact Study. If the Transmission Provider is unable to complete the Interconnection System Impact Study within the time period, it shall notify the Generator and provide an estimated completion date with an explanation of the reasons why additional time is required. Upon request, the Transmission Provider shall provide the Generator all supporting documentation, workpapers and relevant pre-Interconnection Request and post-Interconnection Request power flow, short circuit and stability databases for the Interconnection System Impact Study, subject to confidentiality arrangements consistent with Section 13.1.

7.5 Meeting with Transmission Provider.

Within ten (10) Business Days of providing an Interconnection System Impact Study report to Generator, Transmission Provider and Generator shall meet to discuss the results of the Interconnection System Impact Study.

7.6 Re-Study.

If re-study of the Interconnection System Impact Study is required due to a higher queued project dropping out of the queue, a modification of a higher queued project subject to 4.4, or re-designation of the Point of Interconnection pursuant to Section 6.1 Transmission Provider shall notify Generator in writing. Such re-study shall take no longer than sixty (60) Calendar Days from the date of notice.

Any cost of re-study shall be borne by the Generator being re-studied.

8. Interconnection Facilities Study.

8.1 Interconnection Facilities Study Agreement.

Simultaneously with the delivery of the Interconnection System Impact Study to the Generator, the Transmission Provider shall provide to the Generator an Interconnection Facilities Study Agreement in the form of Appendix 4 to these Interconnection Procedures. The Interconnection Facilities Study Agreement shall provide that the Generator shall compensate the Transmission Provider for the actual cost of the Interconnection Facilities Study. Within three (3) Business Days following the Interconnection System Impact Study results meeting, the Transmission Provider shall provide to Generator a non-binding good faith estimate of the cost and timeframe for completing the Interconnection Facilities Study. The Generator shall execute the Interconnection Facilities Study Agreement and deliver the executed Interconnection Facilities Study Agreement to the Transmission Provider within thirty (30) Calendar Days after its receipt, together with the required technical data and the greater of $100,000 or Generator's portion of the estimated monthly cost of conducting the Interconnection Facilities Study.

8.1.1 Transmission Provider shall invoice Generator on a monthly basis for the work to be conducted on the Interconnection Facilities Study each month. Generator shall pay invoiced amounts within thirty (30) Calendar Days of receipt of invoice. Transmission Provider shall continue to hold the amounts on deposit until settlement of the final invoice.

8.2 Scope of Interconnection Facilities Study.

The Interconnection Facilities Study shall specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the Interconnection System Impact Study in accordance with Good Utility Practice to physically and electrically connect the Interconnection Facility to the Transmission System. The Interconnection Facilities Study shall also identify the electrical switching configuration of the connection equipment, including, without limitation: the transformer, switchgear, meters, and other station equipment; the nature and estimated cost of any Transmission Provider Interconnection Facilities and Network Upgrades necessary to accomplish the interconnection; and an estimate of the time required to complete the construction and installation of such facilities.

8.3 Interconnection Facilities Study Procedures.

The Transmission Provider shall coordinate the Interconnection Facilities Study with any Affected System pursuant to Section 3.5 above. The

Transmission Provider shall utilize existing studies to the extent practicable in performing the Interconnection Facilities Study. The Transmission Provider shall use Reasonable Efforts to complete the study and issue a draft Interconnection Facilities Study report to the Generator within the following number of days after receipt of an executed Interconnection Facilities Study Agreement: ninety (90) Calendar Days, with no more than a +/- 20% cost estimate contained in the report; or one hundred eighty (180) Calendar Days, if the Generator requests a +/- 10% cost estimate. At the request of the Generator or at any time the Transmission Provider determines that it will not meet the required time frame for completing the Interconnection Facilities Study, Transmission Provider shall notify the Generator as to the schedule status of the Interconnection Facilities Study. If the Transmission Provider is unable to complete the Interconnection Facilities Study and issue a draft Interconnection Facilities Study report within the time required, it shall notify the Generator and provide an estimated completion date and an explanation of the reasons why additional time is required. The Generator may, within thirty (30) Calendar Days after receipt of the draft report, provide written comments to the Transmission Provider, which the Transmission Provider shall include in the final report. The Transmission Provider shall issue the final Interconnection Facilities Study report within fifteen (15) Business Days of receiving the Generator's comments or promptly upon receiving Generator's statement that it will not provide comments. The Transmission Provider may reasonably extend such fifteen-day period upon notice to the Generator if the Generator's comments require the Transmission Provider to perform additional analyses or make other significant modifications prior to the issuance of the final Interconnection Facilities Report. Upon request, the Transmission Provider shall provide the Generator supporting documentation, workpapers, and databases or data developed in the preparation of the Interconnection Facilities Study, subject to confidentiality arrangements consistent with Section 13.1.

8.4 Meeting with Transmission Provider.

Within ten (10) Business Days of providing a draft Interconnection Facilities Study report to Generator, Transmission Provider and Generator shall meet to discuss the results of the Interconnection Facilities Study.

8.5 Re-Study.

If re-study of the Interconnection Facilities Study is required due to a higher queued project dropping out of the queue or a modification of a higher queued project pursuant to Section 4.4, Transmission Provider shall so notify Generator in writing. Such re-study shall take no longer than sixty (60) Calendar Days from the date of notice.

Any cost of re-study shall be borne by the Generator being re-studied.

9. Agreements.

9.1 Engineering & Procurement ("E&P") Agreement.

Prior to executing an Interconnection and Operating Agreement, a Generator may, in order to advance the implementation of its interconnection, request and Transmission Provider shall offer the Generator, an agreement that authorizes the Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection ("E&P Agreement"). However, the Transmission Provider shall not be obligated to offer an E&P Agreement if Generator is in dispute resolution as a result of an allegation that Generator has failed to meet any milestones or comply with any prerequisites specified in other parts of the Interconnection Procedures. The E&P Agreement is an optional procedure and it will not alter the Generator's queue position or In-Service Date. The E&P Agreement shall provide for the Generator to pay the cost of all activities authorized by the Generator and to make advance payments or provide other satisfactory security for such costs. The Generator shall pay the cost of such authorized activities and any cancellation costs for equipment that is already ordered for its interconnection, which cannot be mitigated as hereafter described, whether or not such items or equipment later become unnecessary. If Generator withdraws its application for interconnection or either party terminates the E&P Agreement, to the extent the equipment ordered can be canceled under reasonable terms, Generator shall be obligated to pay the associated cancellation costs. To the extent that the equipment cannot be reasonably canceled, Transmission Provider may elect: (i) to take title to the equipment, in which event Transmission Provider shall refund Generator any amounts paid by Generator for such equipment and shall pay the cost of delivery of such equipment, or (ii) to transfer title to and deliver such equipment to Generator, in which event Generator shall pay any unpaid balance and cost of delivery of such equipment.

10. Optional Study.

10.1 Optional Study Agreement.

On or after the date when the Generator receives Interconnection System Impact Study results, the Generator may request, and the Transmission Provider shall perform a reasonable number of Optional Studies. The request shall describe the assumptions that the Generator wishes the Transmission Provider to study within the scope described in Section 10.2. Within five (5) Business Days after receipt of a request for an Optional

Study, the Transmission Provider shall provide to the Generator an Optional Study Agreement in the form of Appendix 5. The Optional Study Agreement shall: (i) specify the technical data that the Generator must provide for each phase of the Optional Study, (ii) specify Generator's assumptions as to which Interconnection Requests with earlier queue priority dates will be excluded from the optional study case and assumptions as to the type of interconnection service for Interconnection Requests remaining in the optional study case, and (iii) the Transmission Provider's estimate of the cost of the Optional Study. To the extent known by the Transmission Provider, such estimate shall include any costs expected to be incurred by any Affected System whose participation is necessary to complete the Optional Study. Notwithstanding the above, the Transmission Provider shall not be required as a result of an Optional Study request to conduct any additional Interconnection Studies with respect to any other Interconnection Request. The Generator shall execute the Optional Study Agreement within ten (10) Business Days of receipt and deliver the Optional Study Agreement, the technical data and a $10,000 deposit to the Transmission Provider.

10.2 Scope of Optional Study.

The Optional Study will consist of a sensitivity analysis based on the assumptions specified by the Generator in the Optional Study Agreement. The Optional Study will also identify the Transmission Provider Interconnection Facilities and the Network Upgrades, and the estimated cost thereof, that may be required to provide transmission service or interconnection service based upon the results of the Optional Study. The Optional Study shall be performed solely for informational purposes. The Transmission Provider shall use Reasonable Efforts to coordinate the study with any Affected Systems that may be affected by the types of interconnection services that are being studied. The Transmission Provider shall utilize existing studies to the extent practicable in conducting the Optional Study.

10.3 Optional Study Procedures.

The executed Optional Study Agreement, the prepayment, and technical and other data called for therein must be provided to the Transmission Provider within ten (10) Business Days of Generator's receipt of the Optional Study Agreement. The Transmission Provider shall use Reasonable Efforts to complete the Optional Study within a mutually agreed upon time period specified within the Optional Study Agreement. If the Transmission Provider is unable to complete the Optional Study within such time period, it shall notify the Generator and provide an estimated completion date and an explanation of the reasons why additional time is required. Any difference between the study payment and the actual cost of the study shall be paid to the Transmission Provider

or refunded to the Generator, as appropriate. Upon request, the Transmission Provider shall provide the Generator supporting documentation and workpapers and databases or data developed in the preparation of the Optional Study, subject to confidentiality arrangements consistent with Section 13.1.

11. Interconnection and Operating Agreement.

11.1 Tender.

Simultaneously with the issuance of the draft Interconnection Facilities Study report to the Generator, the Transmission Provider shall tender to the Generator a draft Interconnection and Operating Agreement together with draft appendices completed to the extent practicable. The draft Interconnection and Operating Agreement shall be in the form of the pro forma Interconnection and Operating Agreement. Within thirty (30) Calendar Days after the issuance of the draft Interconnection Facilities Study Report, the Transmission Provider shall tender the completed draft Interconnection and Operating Agreement appendices.

11.2 Negotiation.

Notwithstanding Section 11.1, at the request of the Generator the Transmission Provider shall begin negotiations with the Generator concerning the appendices to the Interconnection and Operating Agreement at any time after the Generator executes the Interconnection Facilities Study Agreement. The Transmission Provider and the Generator shall negotiate concerning any disputed provisions of the appendices to the draft Interconnection and Operating Agreement for not more than sixty (60) Calendar Days after tender of the final Interconnection Facilities Study Report. If the Generator determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the Interconnection and Operating Agreement pursuant to Section 11.1 and request submission of the unexecuted Interconnection and Operating Agreement with FERC or initiate dispute resolution procedures pursuant to Section 13.6. If the Generator requests termination of the negotiations, but within sixty (60) Calendar Days thereafter fails to request either the filing of the unexecuted Interconnection and Operating Agreement or initiate dispute resolution, it shall be deemed to have withdrawn its Interconnection Request. The Transmission Provider shall provide to the Generator a final Interconnection and Operating Agreement within fifteen (15) Business Days after the completion of the negotiation process.

11.3 Execution and Filing.

Within fifteen (15) Business Days after receipt of the final Interconnection

and Operating Agreement, the Generator shall provide the Transmission Provider reasonable evidence that continued Site Control and one or more of the following milestones in the development of the Facility, at the Generator's election, has been achieved: (i) the execution of a contract for the supply or transportation of fuel to the Facility; (ii) the execution of a contract for the supply of cooling water to the Facility; (iii) execution of a contract for the engineering for, procurement of major equipment for, or construction of, the Facility; (iv) execution of a contract for the sale of electric energy or capacity from the Facility; (v) application for an air, water, or land use permit; or (vi) posting of $250,000, non-refundable additional security, which shall be applied toward future construction costs.

The Generator shall either: (i) execute two originals of the tendered Interconnection and Operating Agreement and return them to the Transmission Provider; or (ii) request in writing that the Transmission Provider file with FERC an Interconnection and Operating Agreement in unexecuted form. As soon as practicable, but not later than ten (10) Business Days after receiving either the two executed originals of the tendered Interconnection and Operating Agreement or the request to file an unexecuted Interconnection and Operating Agreement, the Transmission Provider shall file the Interconnection and Operating Agreement with FERC, together with its explanation of any matters as to which the Generator and the Transmission Provider disagree and support for the costs that the Transmission Provider proposes to charge to the Generator under the Interconnection and Operating Agreement.

11.4 Commencement of Interconnection Activities.

If the Generator executes the final Interconnection and Operating Agreement, the Transmission Provider and the Generator shall perform their respective obligations in accordance with the terms of the Interconnection and Operating Agreement, subject to modification by FERC. Upon submission of an unexecuted Interconnection and Operating Agreement, both Generator and Transmission Provider shall promptly comply with the unexecuted Interconnection and Operating Agreement, subject to modification by FERC.

12. Construction of Transmission Provider Interconnection Facilities and Network Upgrades.

12.1 Schedule.

The Transmission Provider and the Generator shall negotiate in good faith concerning a schedule for the construction of the Transmission Provider Interconnection Facilities and the Network Upgrades.

12.2 Permits.

The Interconnection and Operating Agreement shall specify the allocation of the responsibilities of the Transmission Provider/Owner and the Generator to obtain all permits, licenses and authorizations that are necessary to accomplish the interconnection in compliance with applicable laws and regulations. The Transmission Provider/Owner and the Generator shall cooperate with each other in good faith in obtaining any such permits, licenses and authorizations. Nothing in this Section 12.2 shall be construed to waive any rights under applicable law.

12.3 Construction Sequencing.

In general, the In-Service Date of generators seeking interconnection to the Transmission System will determine the sequence of construction of Network Upgrades. A Generator with an Interconnection and Operating Agreement, in order to maintain its In-Service Date, may request that the Transmission Provider advance to the extent necessary the completion of Network Upgrades that: (i) were assumed in the Interconnection Studies for such Generator, (ii) are necessary to support such In-Service Date, and (iii) would otherwise not be completed, pursuant to a contractual obligation of an entity other than the Generator that is seeking interconnection to the Transmission System, in time to support such In-Service Date. Upon such request, Transmission Provider will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that the Generator commits to pay Transmission Provider: (i) any associated expediting costs and (ii) the cost of such Network Upgrades. The Transmission Provider will refund to the Generator the costs in clause (ii) of the prior sentence at such time as it receives payment from the entity with a contractual obligation to construct such Network Upgrades. Until such costs are refunded by the Transmission Provider, the Generator may utilize the transmission credits, if any, associated with the Network Upgrades the construction of which was advanced; thereafter the balance of such credits may be utilized by the entity that provided the Transmission Provider with the funds for such refund, to the extent of those funds. The Generator shall be entitled to transmission credits, if any, for any expediting costs paid. The inclusion of costs, recovery of costs and credits in this Section 12.3 is subject to FERC determination of cost responsibility.

A Generator with an Interconnection and Operating Agreement, in order to maintain its In-Service Date, may request that the Transmission Provider advance to the extent necessary the completion of Network Upgrades that: (i) are necessary to support such In-Service Date and (ii) would otherwise not be completed, pursuant to an expansion plan of the Transmission Provider, in time to support such In-Service Date. Upon

such request, Transmission Provider will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that the Generator commits to pay Transmission Provider any associated expediting costs. The Generator shall be entitled to transmission credits, if any, for any expediting costs paid. The inclusion of costs, recovery of costs and credits in this Section 12.3 is subject to FERC determination of cost responsibility.

An Interconnection System Impact Study will be amended to determine the facilities necessary to support the requested In-Service Date. This amended study will include those transmission and generator facilities that are expected to be in service on or before the requested In-Service Date.

13. Miscellaneous.

13.1 Confidentiality.

Transmission Provider, Transmission Owner(s), and such entities' officers, employees, and contractors shall keep confidential all information provided by Generator related to interconnection service required by Transmission Provider to process an Interconnection Request for network or similar type interconnection service as specified by FERC (other than the information contained in the Interconnection Request in Appendix 1) or that otherwise constitutes trade secrets or commercial or financial information, the disclosure of which would harm or prejudice the Generator or Generator's business.

Such Confidential Information shall exclude information to the extent that such information is or becomes generally available to the public without the violation of any obligation of secrecy relating to the information disclosed, including the posted Interconnection Studies on OASIS pursuant to the terms of Section 3.4. Transmission Provider shall use such information solely for the purpose of the Interconnection Study for which it was provided and no other purpose. Confidential Information should only be shared among individuals within the Transmission Provider; Transmission Owner; and any third party who need it to perform Interconnection Studies, to review Interconnection Study results, or to negotiate an Interconnection and Operating Agreement; provided that, under no circumstances shall data be shared with individuals that have responsibilities within the Transmission Providers/Owners and/or its affiliates' merchant generation and/or marketing functions and otherwise required pursuant to Order 889.

Further, Transmission Provider shall be liable to Generator for any breach of confidentiality caused by its agents or third party contractors.

The Transmission Provider shall, at Generator's election, destroy, in a confidential manner, or return the Confidential Information provided at the time the Confidential Information is no longer needed.

Other than any required disclosures of Interconnection Studies on OASIS, should Transmission Provider be required to disclose the Generator's confidential information with any regulatory body, Transmission Provider shall request confidential treatment of such information from such regulatory body. If Transmission Provider receives any request to disclose confidential information, Transmission Provider shall provide Generator with prompt written notice of any such request so that the Generator may contest disclosure.

Notwithstanding anything to the contrary herein, these provisions shall not require the Transmission Provider or the Generator to disclose information in violation of any confidentiality obligations to third parties.

13.2 Delegation of Responsibility.

The Transmission Provider may use the services of subcontractors as it deems appropriate to perform its obligations under these Interconnection Procedures. Transmission Provider shall remain primarily liable to the Generator for the performance of such subcontractors and compliance with its obligations of these Interconnection Procedures. The subcontractor shall keep all information provided confidential and shall use such information solely for the performance of such obligation for which it was provided and no other purpose.

13.3 Obligation for Study Costs.

Transmission Provider shall charge and Generator shall pay the actual costs of the Interconnection Studies. Any difference between the study deposit and the actual cost of the applicable Interconnection Study shall be paid by or refunded, except as otherwise provided herein, to Generator or offset against the cost of any future Interconnection Studies associated with the applicable Interconnection Request prior to beginning of any such future Interconnection Studies. Generator shall pay any such undisputed costs within thirty (30) Calendar Days of receipt of an invoice therefor. The Transmission Provider shall not be obligated to perform or continue to perform any studies unless Generator has paid all undisputed amounts in compliance herewith.

13.4 Third Parties Conducting Studies.

If (i) at the time of the signing of an Interconnection Study Agreement there is disagreement as to the estimated time to complete an Interconnection Study, (ii) the Generator receives notice pursuant to Sections 6.3, 7.4 or 8.3 that the Transmission Provider will not complete

an Interconnection Study within the applicable timeframe for such Interconnection Study, or (iii) Generator receives neither the Interconnection Study nor a notice under Sections 6.3, 7.4 or 8.3 within the applicable timeframe for such Interconnection Study, then the Generator may require the Transmission Provider to, within thirty (30) Calendar Days of notifying Transmission Provider, utilize a third party reasonably acceptable to Generator and Transmission Provider to perform such Interconnection Study under the direction of the Transmission Provider. Transmission Provider shall convey all workpapers, databases, study results and all other supporting documentation prepared to date with respect to the Interconnection Request as soon as practicable upon Generator's request subject to the confidentiality provision in Section 13.1. In any case, such third party contract may be entered into with either the Generator or the Transmission Provider at the Transmission Provider's discretion. In the case of (i), (ii) and (iii) such Interconnection Study will be at the Generator's expense and in the case of (iii) the Generator maintains its right to submit a claim to dispute resolution to recover the costs of such third party study. Such subcontractor shall be required to comply with these Interconnection Procedures and shall use the information provided to it solely for purposes of performing such services and for no other purposes. The Transmission Provider shall cooperate with such subcontractor and Generator to complete and issue the Interconnection Study in the shortest reasonable time.

13.5 Performance Liquidated Damages.

In the event the Transmission Provider fails to meet any of its obligations under these Interconnection Procedures, and fails to remedy any failure within fifteen (15) Business Days, the Transmission Provider shall pay the Generator liquidated damages. Any liquidated damages paid by the Transmission Provider to the Generator shall be an amount equal to 1% of the actual cost of the applicable study cost (including any third party study costs), per day. However, in no event shall the total liquidated damages exceed 50% of the actual cost of the applicable study(ies). In addition to these liquidated damages, Transmission Provider shall refund any deposit amount for the applicable study previously paid by Generator in excess of actual reasonably incurred study costs immediately upon expiration of the remedy period noted above.

13.6 Disputes.

13.6.1 Submission.

In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with the Interconnection and Operating Agreement or its performance, such Party

(the “disputing Party”) shall provide the other Party with written notice of the dispute or claim (“Notice of Dispute”). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute within thirty (30) Calendar Days of the other Party’s receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this Agreement.

13.6.2 External Arbitration Procedures.

Any arbitration initiated under these procedures shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (“Arbitration Rules”) and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Section 13, the terms of this Section 13 shall prevail.

13.6.3 Arbitration Decisions.

Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be

authorized only to interpret and apply the provisions of the Agreement and shall have no power to modify or change any provision of the Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.

13.6.4 Costs.

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

14. Small Generator Interconnection Requests.

14.1 Applicability.

Small Generators are defined as units 20 MW and below or aggregations of interconnecting Facilities at a single Point of Interconnection totaling 20 MW and below, including those owned by Transmission Providers or their affiliates. Since Small Generators will generally have only a limited impact on a localized area of the Transmission Provider's Transmission System, all Interconnection Studies, upgrades and electric connections necessitated by the Interconnection Request will be conducted on an expedited basis. Because of the size limitation of Small Generators, any study will generally be limited only to the immediate vicinity of the Small Generator's interconnection and should use subsets of data from the Transmission Provider's larger system studies. If the Transmission Provider is able to use prior system studies to accommodate the Small Generator's request, there will be no charge assessed to the Small Generator. This Section 14 applies only to Small Generators that are located on the Transmission Provider's Transmission System or whose transaction(s) involve sales for resale.

14.2 Modified Interconnection Procedure.

Requirements related to the application and interconnection for larger

Generator resources are followed except as modified in this Section 14.

14.2.1 Interconnection Study Deposits.
The deposit requirement for each of the Interconnection Studies is waived.

14.2.2 Interconnection Study Costs.
While the deposit requirement for the Small Generator is waived, the Small Generator is responsible for all costs associated with the processing of the Interconnection Request and the performance of Interconnection Studies, unless waived.

Small Generator will be billed for such costs following the completion of each Interconnection Study. Generator shall pay invoiced amounts within thirty (30) Calendar Days of receipt of invoice.

14.2.3 Expedited Procedures.
Expedited analysis procedures will be utilized for all Interconnection Requests and studies.

14.3 Queue.
Small Generators will be placed in the same queue as large Generators.

14.4 Interconnection Scoping Meeting and Studies.
Immediately upon receipt of a valid Interconnection Request, the Transmission Provider shall establish a date agreeable to the Small Generator for an initial scoping meeting as discussed in Section 3.3.4 above and such meeting will be held no later than ten (10) Business Days from receipt of the Interconnection Request. Unless otherwise agreed, the Transmission Provider will conduct an Interconnection Feasibility Study to determine if transmission constraints or other contingencies within the immediate vicinity of the Small Generator interconnection will require Network Upgrades or facilities to be constructed and an Interconnection Facilities Study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to accomplish the interconnection. Each of the studies are to be completed by the Transmission Provider within fifteen (15) Calendar Days of the date of the applicable executed study request.

APPENDICES

APPENDIX 1	INTERCONNECTION REQUEST
APPENDIX 2	INTERCONNECTION FEASIBILITY STUDY AGREEMENT
APPENDIX 3	INTERCONNECTION SYSTEM IMPACT STUDY AGREEMENT
APPENDIX 4	INTERCONNECTION FACILITIES STUDY AGREEMENT
APPENDIX 5	OPTIONAL STUDY AGREEMENT

APPENDIX 1
INTERCONNECTION REQUEST

1. The undersigned Generator submits this request to its Facility with the Transmission Provider's Transmission System pursuant to a Tariff.

2. This Interconnection Request is for (check one):
   _____ A proposed new Facility.
   _____ An increase in the generating capacity or a Material Modification of an existing Facility.

3. Is the Generator requesting expedited procedures pursuant to Section 14 of the Interconnection Procedures?
   _____ Yes
   _____ No

4. The type of interconnection service requested (check one or both as appropriate):
   _____ [It is intended that the types of interconnection services specified in Article 4 of the Standard Generator and Interconnection Agreement be placed here.]

5. The Generator provides the following information:
   a. Address or location or the proposed new Facility site (to the extent known) or, in the case of an existing Facility, the name and specific location of the Facility;

   b. Maximum summer at ____ degrees C and winter at _____ degrees C megawatt electrical output of the proposed new Facility or the amount of megawatt increase in the generating capacity of an existing Facility;

   c. General description of the equipment configuration;

   d. Commercial Operation Date by day, month, and year;

   e. Name, address, telephone number, and e-mail address of the Generator's contact person;

   f. Approximate location of the proposed Point of Interconnection (optional); and

   g. Generator Data (set forth in Attachment A)

6. Applicable deposit amount as specified in the Interconnection Procedures.

7. Evidence of Site Control as specified in the Interconnection Procedures (check one)

____ Is attached to this Interconnection Request
____ Will be provided at a later date in accordance with these Interconnection Procedures

8. This Interconnection Request shall be submitted to the representative indicated below:

[To be completed by Transmission Provider]

9. Representative of the Generator to contact:

[To be completed by Generator]

10. This Interconnection Request is submitted by:

Name of Generator:_____
By (signature): _____
Name (type or print): _____
Title:_____
Date: _____

Attachment A
GENERATOR DATA

UNIT RATINGS

kVA _____ °F _____ Voltage _____
Power Factor _____
Speed (RPM) _____ Connection (e.g. Wye)_____
Short Circuit Ratio _____ Frequency, Hertz _____
Stator Amperes at Rated kVA_____ Field Volts_____
Max Turbine MW _____ °F_____

COMBINED TURBINE-GENERATOR-EXCITER INERTIA DATA

Inertia Constant, H = _____ kW sec/kVA
Moment-of-Inertia, WR2 = _____ lb. ft.2

REACTANCE DATA (PER UNIT-RATED KVA)	**DIRECT AXIS**	**QUADRATURE AXIS**
Synchronous – saturated	Xdv_____	Xqv _____
Synchronous – unsaturated	Xdi_____	Xqi _____
Transient – saturated	X'dv_____	X'qv _____
Transient – unsaturated	X'di_____	X'qi_____
Subtransient – saturated	X"dv_____	X"qv_____
Subtransient – unsaturated	X"di_____	X"qi_____
Negative Sequence – saturated	X2v_____	
Negative Sequence – unsaturated	X2i_____	
Zero Sequence – saturated	X0v_____	
Zero Sequence – unsaturated	X0i_____	
Leakage Reactance	Xlm_____	

FIELD TIME CONSTANT DATA (SEC)

Open Circuit	T'do_____	T'qo_____
Three-Phase Short Circuit Transient	T'd3_____	T'q_____
Line to Line Short Circuit Transient	T'd2_____	
Line to Neutral Short Circuit Transient	T'd1_____	
Short Circuit Subtransient	T"d_____	T"q_____
Open Circuit Subtransient	T"do_____	T"qo_____

ARMATURE TIME CONSTANT DATA (SEC)

Three Phase Short Circuit	Ta3_____
Line to Line Short Circuit	Ta2_____
Line to Neutral Short Circuit	Ta1_____

MW CAPABILITY AND PLANT CONFIGURATION
GENERATOR DATA

ARMATURE WINDING RESISTANCE DATA (PER UNIT)

Positive R1_____
Negative R2_____
Zero R0_____

Rotor Short Time Thermal Capacity I22t = _____
Field Current at Rated kVA, Armature Voltage and PF = _____ amps
Field Current at Rated kVA and Armature Voltage, 0 PF = _____ amps
Three Phase Armature Winding Capacitance = _____ microfarad
Field Winding Resistance = _____ ohms _____ °C
Armature Winding Resistance (Per Phase) = _____ ohms _____ °C

CURVES

Saturation, Vee, Reactive Capability, Capacity Temperature Correction
Designate normal and emergency Hydrogen Pressure operating range for multiple curves

GENERATOR STEP-UP TRANSFORMER DATA

RATINGS

Capacity Self-cooled/maximum nameplate
_____/_____kVA

Voltage Ratio Generator side/System side
_____/_____kV

Winding Connections Low V/High V (Delta or Wye)
_____/_____

Fixed Taps Available_____

Present Tap Setting_____

IMPEDANCE

Positive Z1 (on self-cooled kVA rating)_____ % _____ X/R

Zero Z0 (on self-cooled kVA rating)_____ % _____ X/R

EXCITATION SYSTEM DATA

Identify appropriate IEEE model block diagram of excitation system and power system stabilizer (PSS) for computer representation in power system stability simulations and the corresponding excitation system and PSS constants for use in the model.

GOVERNOR SYSTEM DATA

Identify appropriate IEEE model block diagram of governor system for computer representation in power system stability simulations and the corresponding governor system constants for use in the model.

APPENDIX 2
INTERCONNECTION FEASIBILITY STUDY AGREEMENT

THIS AGREEMENT is made and entered into this___day of _____, 20__by and between_____, a _____ organized and existing under the laws of the State of _____, ("Generator,") and _____ a _____existing under the laws of the State of_____ , ("Transmission Provider "). Generator and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Generator is proposing to develop a Facility or generating capacity addition to an existing Facility consistent with the Interconnection Request submitted by the Generator dated _____ ; and

WHEREAS, Generator desires to interconnect the Facility with the Transmission System; and

WHEREAS, Generator has requested the Transmission Provider to perform an Interconnection Feasibility Study to assess the feasibility of interconnecting the proposed Facility to the Transmission System, and of any Affected Systems;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1.0 When used in this agreement, with initial capitalization, the terms specified shall have the meanings indicated. Terms used in this agreement with initial capitalization but not defined in this Section 1 shall have the meanings specified in the Tariff.

2.0 Generator elects and Transmission Provider shall cause to be performed an Interconnection Feasibility Study consistent with Section 6.0 of these Interconnection Procedures in accordance with the Tariff.

3.0 The scope of the Interconnection Feasibility Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The Interconnection Feasibility Study shall be based on the technical information provided by Generator in the Interconnection Request, as may be modified as the result of the Initial Scoping Meeting. Transmission Provider reserves the right to request additional technical information from Generator as may reasonably become necessary consistent with Good Utility Practice during the course of the Interconnection Feasibility Study

and as designated in accordance with Section 3.3.4 of the Interconnection Procedures. If, after the designation of the Point of Interconnection pursuant to Section 3.3.4 of the Interconnection Procedures, Generator modifies its Interconnection Request, the time to complete the Interconnection Feasibility Study may be extended.

5.0 The Interconnection Feasibility Study report shall provide the following information:

- preliminary identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;

- preliminary identification of any thermal overload or voltage limit violations resulting from the interconnection; and

- preliminary description and non-bonding estimated cost of facilities required to interconnect the Facility to the Transmission System and to address the identified short circuit and power flow issues.

6.0 The Transmission Provider's good faith estimated cost for performance of the Interconnection Feasibility Study is $10,000.

Upon receipt of the Interconnection Feasibility Study the Transmission Provider shall charge and Generator shall pay the actual costs of the Interconnection Feasibility Study.

Any difference between the deposit and the actual cost of the study shall be paid by or refunded to the Generator, as appropriate.

7.0 Miscellaneous. [The Interconnection Feasibility Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional differences, applicable laws, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the Interconnection Procedures and the Interconnection and Operating Agreement.]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Transmission Provider]	**[Insert name of Generator]**
By _____	By _____
Name (typed or printed):_____	Name (typed or printed):_____
Title_____	Title_____

Attachment A to
Interconnection Feasibility
Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE INTERCONNECTION FEASIBILITY STUDY

The Interconnection Feasibility Study will be based upon the information set forth in the Interconnection Request and agreed upon in the Initial Scoping Meeting held on__ _____:

Designation of Point of Interconnection and configuration to be studied.
Designation of alternative Point(s) of Interconnection and configuration.

[Above assumptions to be completed by Generator and other assumptions to be provided by Generator and Transmission Provider]

APPENDIX 3
INTERCONNECTION SYSTEM IMPACT STUDY AGREEMENT

THIS AGREEMENT is made and entered into this___day of _____, 20__by and between_____, a _____ organized and existing under the laws of the State of _____, ("Generator,") and _____ a _____existing under the laws of the State of_____ , ("Transmission Provider "). Generator and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Generator is proposing to develop a Facility or generating capacity addition to an existing Facility consistent with the Interconnection Request submitted by the Generator dated ; and

WHEREAS, Generator desires to interconnect the Facility with the Transmission System;

WHEREAS, the Transmission Provider has completed a Interconnection Feasibility Study (the "Feasibility Study") and provided the results of said study to the Generator[1]; and

WHEREAS, Generator has requested the Transmission Provider to perform an Interconnection System Impact Study to assess the impact of interconnecting the Facility to the Transmission System, and of any Affected Systems;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1.0 When used in this agreement, with initial capitalization, the terms specified shall have the meanings indicated. Terms used in this agreement with initial capitalization but not defined in this Section 1 shall have the meanings specified in the Tariff.

2.0 Generator elects and Transmission Provider shall cause to be performed an Interconnection System Impact Study consistent with Section 7.0 of these Interconnection Procedures in accordance with

[1] This recital to be omitted if Generator has elected to forego the Interconnection Feasibility Study.

the Tariff.

3.0 The scope of the Interconnection System Impact Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The Interconnection System Impact Study will be based upon the results of the Interconnection Feasibility Study and the technical information provided by Generator in the Interconnection Request, subject to any modifications in accordance with Section 4.4 of the Interconnection Procedures. Transmission Provider reserves the right to request additional technical information from Generator as may reasonably become necessary consistent with Good Utility Practice during the course of the Interconnection System Impact Study. If Generator modifies its designated Point of Interconnection, Interconnection Request, or the technical information provided therein is modified, the time to complete the Interconnection System Impact Study may be extended.

5.0 The Interconnection System Impact Study report shall provide the following information:

- identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;

- identification of any thermal overload or voltage limit violations resulting from the interconnection;

- identification of any instability or inadequately damped response to system disturbances resulting from the interconnection and

- description and non-binding, good faith estimated cost of facilities required to interconnect the Facility to the Transmission System and to address the identified short circuit, instability, and power flow issues.

6.0 The Transmission Provider's good faith estimated cost for performance of the Interconnection System Impact Study is $50,000. The Transmission Provider's good faith estimate for the time of completion of the Interconnection System Impact Study is [insert

date].

Upon receipt of the Interconnection System Impact Study, Transmission Provider shall charge and Generator shall pay the actual costs of the Interconnection System Impact Study .

Any difference between the deposit and the actual cost of the study shall be paid by or refunded to the Generator, as appropriate.

7.0 Miscellaneous. The Interconnection System Impact Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties,governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, that are consistent with regional differences, applicable laws and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the Interconnection Procedures and the Interconnection and Operating Agreement.]

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Transmission Provider] **[Insert name of Generator]**

By _____ By _____

Name (typed or printed):_____ Name (typed or printed):_____

Title_____ Title_____

Attachment A to
Interconnection System Impact
Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE INTERCONNECTION SYSTEM IMPACT STUDY

The Interconnection System Impact Study will be based upon the results of the Interconnection Feasibility Study, subject to any modifications in accordance with Section 4.4 of the Interconnection Procedures, and the following assumptions:

Designation of Point of Interconnection and configuration to be studied.
Designation of alternative Point(s) of Interconnection and configuration.

[Above assumptions to be completed by Generator and other assumptions to be provided by Generator and Transmission Provider]

APPENDIX 4
INTERCONNECTION FACILITIES STUDY AGREEMENT

THIS AGREEMENT is made and entered into this___day of _____, 20__ by and between_____, a _____ organized and existing under the laws of the State of _____, ("Generator,") and _____ a _____existing under the laws of the State of_____ , ("Transmission Provider "). Generator and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Generator is proposing to develop a Facility or generating capacity addition to an existing Facility consistent with the Interconnection Request submitted by the Generator dated _____; and

WHEREAS, Generator desires to interconnect the Facility with the Transmission System;

WHEREAS, the Transmission Provider has completed a Interconnection System Impact Study (the “System Impact Study”) and provided the results of said study to the Generator; and

WHEREAS, Generator has requested the Transmission Provider to perform an Interconnection Facilities Study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the Interconnection System Impact Study in accordance with Good Utility Practice to physically and electrically connect the Facility to the Transmission System.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1.0 When used in this agreement, with initial capitalization, the terms specified shall have the meanings indicated. Terms used in this agreement with initial capitalization but not defined in this Section 1 shall have the meanings specified in the Tariff.

2.0 Generator elects and Transmission Provider shall cause an Interconnection Facilities Study consistent with Section 8.0 of these

Interconnection Procedures to be performed in accordance with the Tariff.

3.0 The scope of the Interconnection Facilities Study shall be subject to the assumptions set forth in Attachment A and the data provided in Attachment B to this Agreement.

4.0 The Interconnection Facilities Study report (i) shall provide a description, estimated cost of (consistent with Attachment A), schedule for required facilities to interconnect the Facility to the Transmission System and (ii) shall address the short circuit, instability, and power flow issues identified in the Interconnection System Impact Study.

5.0 The Transmission Provider's good faith estimated cost for performance of the Interconnection Facilities Study is $100,000. The time for completion of the Interconnection Facilities Study is specified in Attachment A.

Transmission Provider shall invoice Generator on a monthly basis for the work to be conducted on the Interconnection Facilities Study each month. Generator shall pay invoiced amounts within thirty (30) Calendar Days of receipt of invoice. Transmission Provider shall continue to hold the amounts on deposit until settlement of the final invoice.

6.0 Miscellaneous. [The Interconnection Facility Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional differences, applicable laws, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the Interconnection Procedures and the Interconnection and Operating Agreement.]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Transmission Provider]

By _____

Name (typed or printed):_____

Title_____

[Insert name of Generator]

By _____

Name (typed or printed):_____

Title_____

Attachment A to
Interconnection Facilities
Study Agreement

GENERATOR SCHEDULE ELECTION FOR CONDUCTING THE INTERCONNECTION FACILITIES STUDY

The Transmission Provider shall use Reasonable Efforts to complete the study and issue a draft Interconnection Facilities Study report to the Generator within the following number of days after of receipt of an executed copy of this Interconnection Facilities Study Agreement:

- ninety (90) Calendar Days with no more than a +/- 20% cost estimate contained in the report, or

- one hundred eighty (180) Calendar Days with no more than a +/- 10% cost estimate contained in the report.

Attachment B to
Interconnection Facilities
Study Agreement

DATA FORM TO BE PROVIDED BY GENERATOR WITH THE INTERCONNECTION FACILITIES STUDY AGREEMENT

Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.

One set of metering is required for each generation connection to the new ring bus or existing Transmission Provider station. Number of generation connections:

On the one line indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)

On the one line indicate the location of auxiliary power. (Minimum load on CT/PT) Amps

Will an alternate source of auxiliary power be available during CT/PT maintenance? _____Yes _____ No

Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? _____Yes _____No
(Please indicate on one line).

What type of control system or PLC will be located at the Generator's Facility?

_____

What protocol does the control system or PLC use?

_____

Please provide a 7.5-minute quadrangle of the site. Sketch the plant, station, transmission line, and property line.

Physical dimensions of the proposed interconnection station:

_____

Bus length from generation to interconnection station:

_____

Line length from interconnection station to Transmission Provider transmission line.

_____

Tower number observed in the field. (Painted on tower leg)*

_____

Number of third party easements required for transmission lines*:

_____

* To be completed in coordination with Transmission Provider.

Is the Facility in the Transmission Provider's service area?

_____Yes _____No Local provider:_____

Please provide proposed schedule dates:

Begin Construction Date:_____

GSU transformers receive back feed Date:_____

Generation Testing Date:_____

Commercial Operation Date:_____

APPENDIX 5
OPTIONAL STUDY AGREEMENT

THIS AGREEMENT is made and entered into this___day of _____, 20__ by and between_____, a _____ organized and existing under the laws of the State of _____, ("Generator,") and _____ a _____existing under the laws of the State of_____ , ("Transmission Provider "). Generator and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Generator is proposing to develop a Facility or generating capacity addition to an existing Facility consistent with the Interconnection Request submitted by the Generator dated _____;

WHEREAS, Generator is proposing to establish an interconnection with the Transmission System; and

WHEREAS, Generator has submitted to Transmission Provider an Interconnection Request; and

WHEREAS, on or after the date when the Generator receives the Interconnection System Impact Study results, Generator has further requested that the Transmission Provider prepare an Optional Study;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agree as follows:

1.0 When used in this agreement, with initial capitalization, the terms specified shall have the meanings indicated. Terms used in this agreement with initial capitalization but not defined in this Section 1 shall have the meanings specified in the Tariff.

2.0 Generator elects and Transmission Provider shall cause an Optional Study consistent with Section 10.0 of these Interconnection Procedures to be performed in accordance with the Tariff.

3.0 The scope of the Optional Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The Optional Study shall be performed solely for informational purposes.

5.0 The Optional Study report shall provide a sensitivity analysis based on the assumptions specified by the Generator in Attachment A to this Agreement. The Optional Study will identify the Transmission Provider Interconnection Facilities and the Network Upgrades, and the estimated cost thereof, that may be required to provide transmission service or interconnection service based upon the assumptions specified by the Generator in Attachment A.

6.0 The Transmission Provider's good faith estimated cost for performance of the Optional Study is $10,000. The Transmission Provider's good faith estimate for the time of completion of the Optional Study is [insert date].

Upon receipt of the Optional Study, the Transmission Provider shall charge and Generator shall pay the actual costs of the Optional Study.

Any difference between the initial payment and the actual cost of the study shall be paid by or refunded to the Generator, as appropriate.

7.0 Miscellaneous. [The Optional Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional differences, applicable laws, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the Interconnection Procedures and the Interconnection and Operating Agreement.]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Transmission Provider] **[Insert name of Generator]**

By _____

Name (typed or printed):_____

Title_____

By _____

Name (typed or printed):_____

Title_____

Attachment A to
Optional
Study Agreement

ASSUMPTIONS USED IN CONDUCTING THE OPTIONAL STUDY

[To be completed by Generator consistent with Section 10 of the Interconnection Procedures.]